

FEDERAL AVIATION ADMINISTRATION  
February 7, 2000

FEDERAL AVIATION ADMINISTRATION TRAVEL POLICY  
AMENDMENT 8

TO: Associate Administrators, Assistant Administrators, Chief Counsel, and Staff Offices

SUBJECT: Federal Aviation Administration Travel Policy (FAATP); Revisions to the Method of Paying Subsistence Expenses.

1. **What is the purpose of this document?** This amendment transmits revisions to the 1998 Edition of the Federal Aviation Administration Travel Policy (FAATP) to reflect changes to the method in the Federal Travel Regulation (FTR) of paying subsistence expenses for travel to a nonforeign area outside the continental United States (CONUS).
2. **When are these revisions effective?** The revisions are effective January 1, 2000.
3. **Who should we contact for further information?** Sandra Cavanaugh, (202) 267-9595.
4. **Background.**
  - a. The General Services Administration is responsible for establishing per diem rates for travel within CONUS. On December 2, 1998, the General Services Administration issued Federal Travel Regulation (FTR) Amendment 75 (67 FR 66673), containing per diem rates which did not include a component for lodging taxes. FTR Amendment 75 authorized separate reimbursement of State and local lodging taxes for travel within CONUS. FTR Amendment 75 also requires that the reimbursement of State and local lodging taxes must be prorated based on the allowable reimbursable lodging cost over the total lodging cost.
  - b. The Per Diem, Travel and Transportation Allowance Committee (PDTATC) of the Department of Defense establishes the per diem rates for employees who travel to nonforeign areas outside CONUS. On December 17, 1999, PDTATC issued Civilian Travel Determination 40-99 (CAP Item 40-99), which modified the method in which subsistence expenses are paid to conform with the FTR method of paying lodging taxes. Previously, PDTATC issued per diem rates for travel to nonforeign areas outside CONUS, which included a component for lodging taxes in the maximum lodging amount. CAP Item 40-99 issues new per diem rates for nonforeign areas outside CONUS, which do not include a component for State and local lodging taxes in the maximum lodging amount. CAP Item 40-99 authorizes separate reimbursement for State and local lodging taxes.

- c. The State Department establishes the per diem rates for travel to a foreign area. The State Department continues to include a component for lodging taxes in the per diem. Consequently, there is no provision for separate reimbursement of lodging taxes when an employee travels to a foreign area.
- d. This amendment modifies the Federal Aviation Administration Travel Policy (FAATP) to reflect CAP Item 40-99.

5. **What are the revisions in this document?** This document amends the FAATP as follows:

- a. Section 301-11.54 is revised to read as follows:

<b>§ 301-11.54</b>	<b>Are State and local taxes on lodging charged on travel to a nonforeign area an “allowable lodging cost”?</b>	No. However, they are separately reimbursable if your subsistence expenses are paid using the lodgings-plus per diem method authorized under subpart B of this part or if your subsistence expenses are paid using an ASEA under part D of this chapter. If you are paid a fixed rate per diem under part C of this chapter, the fixed amount includes reimbursement for State and local lodging taxes, and therefore, you will not receive separate reimbursement.
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- b. Section 301-11.55 is revised to read as follows:

<b>§ 301-11.55</b>	<b>Are taxes on lodging charged on travel to a foreign area an “allowable lodging cost”?</b>	Yes. The State Department includes the cost of lodging taxes in determining the applicable per diem rate. Therefore, lodging taxes are not separately reimbursed. If your subsistence expenses are paid using the lodgings-plus per diem method authorized under subpart B of this part, FAA will reimburse your actual lodging cost including lodging taxes, not to exceed the maximum lodging amount as prescribed in subpart B of this part. If your subsistence expenses are paid using an ASEA authorized under subpart D of this part, FAA will reimburse your actual lodging cost including taxes, meals, and incidental expenses, not to exceed the maximum lodging amount as prescribed in subpart D of this part. If you are paid a fixed rate per diem under part C of this chapter, the fixed amount includes reimbursement for lodging taxes, and therefore, you will not receive separate reimbursement
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c. Section 301-11.101 is revised to read as follows:

**§ 301-11.101**      **Will FAA pay me an amount for State and local taxes in addition to my lodging costs?**

<b>If your travel is to a temporary duty site...</b>	<b>Then</b>
In a nonforeign area,	Yes. FAA will pay your State and local lodging taxes separately from your allowable lodging costs. There is no dollar limit on State and local lodging taxes, however, FAA will only pay the amount of taxes that relates to reimbursable allowable lodging costs. FAA will not pay State and local taxes related to allowable lodging costs in excess of the maximum allowable amount. FAA will prorate State and local taxes based on the ratio of the reimbursable allowable lodging cost over the total lodging cost.
To a foreign area,	No. You should ask about taxes when placing your reservation. FAA will not pay you an additional amount or authorize ASEA for lodging taxes.

d. Section 301-11.302 is revised to read as follows:

**§ 301-11.302**      **What will FAA pay me under the ASEA?**

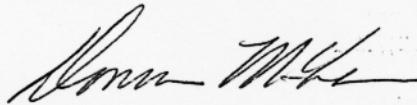
FAA will pay:

- (a) Your actual lodging, meal, and incidental expenses not to exceed the “maximum daily amount”; and
- (b) When you travel to a nonforeign area, your State and local lodging taxes regardless of amount. FAA, however, will only pay the amount of taxes that relates to reimbursable allowable lodging costs. FAA will not pay State and local taxes related to allowable lodging costs in excess of the maximum daily amount. FAA will prorate State and local taxes based on the ratio of the reimbursable allowable lodging cost over the total lodging cost.

6. **Why did we make the revisions in this document?** As follows:

- a. Section 301-11.54. is amended to clarify that State and local taxes for travel to a nonforeign area outside CONUS are not reimbursable as an allowable lodging cost, however, are separately reimbursable if the employee is paid using the lodgings-plus per diem method or ASEA.
- b. Section 301-11.55. is added to clarify that lodging taxes for travel to a foreign area continue to be reimbursable as an allowable lodging cost, and therefore, are not separately reimbursable if the employee is paid using the lodgings-plus per diem method or ASEA.

- c. Section 301-11.101 is revised to clarify that State and local lodging taxes for travel to a nonforeign area outside CONUS are separately reimbursable when an employee's subsistence expenses are paid using the lodgings-plus per diem method. The section also implements the FTR requirement that FAA will reimburse only those taxes which relate to reimbursable expenses. Section 301-11.101 retains the existing policy for reimbursement of lodging taxes for travel within CONUS and to a foreign area.
- d. Section 301-11.302 is revised to reflect the FTR policy that State and local lodging taxes for travel to a nonforeign area outside CONUS are separately reimbursable when an employee's subsistence expenses are paid using an ASEA. The section also implements the FTR requirement that FAA will reimburse only those taxes which relate to reimbursable expenses. Section 301-11.302 retains the existing policy for reimbursement of lodging taxes for travel within CONUS and to a foreign area.



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